

# **Self-Assessment Toolkit for International Y2K Risk**

*Developed for APEC*



## **BOOK ONE - INSTRUCTIONS**

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**This Self-Assessment Toolkit is designed to help an individual economy rapidly assess its Y2K preparedness. Publication and sharing of the results are at the discretion of the responding country.**

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## INTRODUCTION

### *EXECUTIVE OVERVIEW*

Approaching the year 2000, the risks associated with the millennium bug or Y2K could create potential economic instability in several parts of the world simultaneously. Instability could occur from public reactions if many individuals change their economic activities. Instability could also emerge from actual disruptions of technology services that depend on infrastructures in key sectors for customs, energy, finance, telecommunications, and transportation.

In spite of much activity around the world to fix systems and identify potential problems, we may see system and infrastructure failures in individual economies as well as cross-border failures and disruptions. This could have a potential impact on both the originating country and its economic partners.

The “Self-Assessment Toolkit for International Y2K Risks” presents an integrated method to help an individual economy rapidly assess Y2K preparedness by looking at its dependencies on five key economic sectors -- Customs, Energy, Finance, Telecommunications and Transportation. Then it guides the user through a review of dependencies in the same sectors with their economic partners. Although publication and sharing of the results are at the discretion of the responding country, economies that work through the process can gain by sharing the knowledge discretely with relevant partners in circumstances where there is a clear benefit to do so.

#### ***What the toolkit is***

It is a self-assessment guidebook to identify possible Y2K risks, assess internal and cross-border impacts, and develop national and economic partner contingency strategies.

The toolkit guides the user through the process of:

- identifying intra-sector, cross-sector and cross-economy Y2K risks,
- analyzing these risks relative to economic impact and priority, and
- establishing and evaluating appropriate Y2K contingency strategies for an economy.

#### ***What the tool kit is not***

- It is not a request for information.
- It is not a questionnaire where economies are asked to publicize information on readiness strategies.

The toolkit provides unique perspectives of Y2K vulnerabilities through the cross-sector and cross-economy analyses of Y2K risks. These perspectives provide a better understanding of the Y2K vulnerabilities of a country, and can potentially lead to the discovery of synergies as well as conflicts between the Y2K contingency strategies for individual sectors. The toolkit also establishes a consistent basis for a meaningful dialog between economic partners regarding

cross-economy Y2K risks and contingency plans, thus paving the way for creative and effective contingency strategies in the limited time remaining.

The time that is required to complete the assessment is highly dependent upon how quickly the relevant information can be obtained. Generally speaking, the entire process should take from a few days to a few weeks.

### *DEFINITIONS*

Common Risks – Risks that are described differently in different sectors, but actually refer to the same risk.

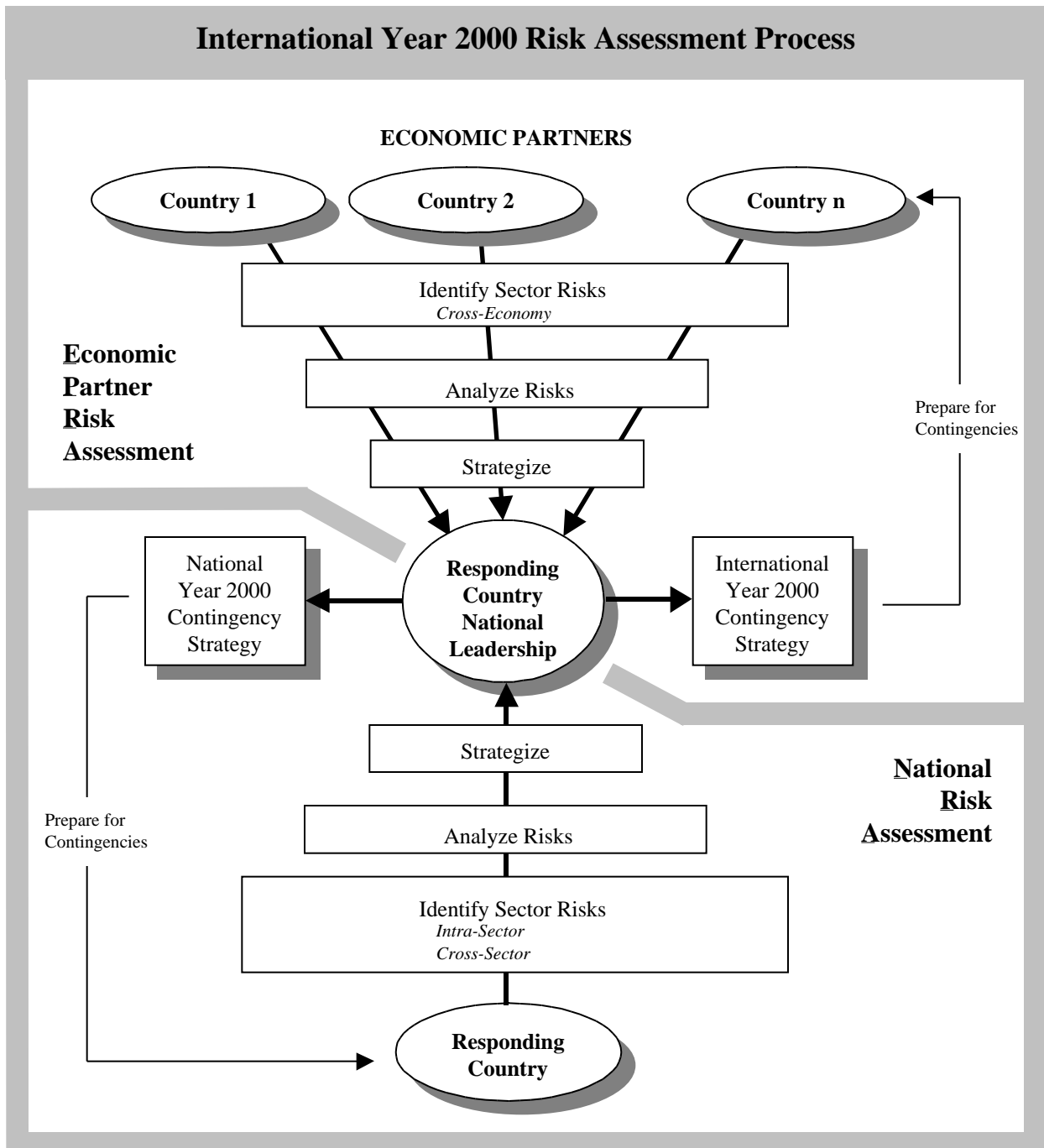
Economic Partner – Any country upon which the Responding Country has an economic dependency. Any country with which the Responding Country enters into finances and trade.

Economic Sector – A high level, logical subset of a country's economy.

Responding Country – The country performing the self-assessment.

Sector – (*see Economic Sector*)

## PROCESS OVERVIEW



*Figure 1 – The International Year 2000 Risk Assessment Process must be performed once for each of the five key sectors – Customs, Energy, Finance, Telecommunications and Transportation. Contingency strategies are reevaluated for potential synergies and conflicts once the individual sector assessments are complete.*

## TOOLKIT OVERVIEW

This document is a step-by-step manual to help you perform the International Year 2000 Risk Assessment Process shown in Figure 1. The process must be performed once for each of the five key sectors – Customs, Energy, Finance, Telecommunications, and Transportation. Each section of the toolkit contains the following elements:

- Instructions
- Definitions
- Example worksheets

**Sections 1, 2 and 3** of the Toolkit focus on the National Risk Assessment portion of the process. These three sections must be repeated for each of the five key sectors. Use the *List of Key Sectors* at the end of this section to help you in determining and tracking the National Risk Assessments you need to perform.

**Section 1** deals with identification of intra-sector and cross-sector risks within a country. By completing the instructions in Section 1, you will produce:

- a Sector Profile,
- a National Sector Risk Checklist, and
- a National Cross-Sector Risk Checklist.

**Section 2** addresses the process for specifying and prioritizing the risks identified in Section 1. By completing the instructions in Section 2, you will produce:

- a National Risk Probability Table,
- a National Risk Analysis Table, and,
- optionally, a National Risk Analysis Matrix.

**Section 3** describes the process for establishing national contingency strategies for the risks analyzed in Section 2. By completing the instructions in Section 3, you will produce:

- an updated National Risk Analysis Table that includes entries in the Contingency Strategies column for each Identified Risk.

**Sections 4, 5 and 6** of the Toolkit focus on the Economic Partner Risk Assessment portion of the process. These three sections must be repeated for each Economic Partner of each of the five key sectors. For example, if there are three Economic Partners for each sector, you need to complete a total of fifteen Economic Partner Risk Assessments. Use the *List of Key Economic Partners* at the end of this section to help you in determining and tracking the Economic Partner Risk Assessments you need to perform.

**Section 4** deals with identification of cross-economy risks posed by Economic Partners. By completing the instructions in Section 4, you will produce:

- an Economic Partner Risk Checklist.

**Section 5** addresses the process for specifying and prioritizing the risks identified in Section 4. By completing the instructions in Section 4, you will produce:

- an Economic Partner Risk Probability Table,
- an Economic Partner Risk Analysis Table, and,
- optionally, an Economic Partner Risk Analysis Matrix.

**Section 6** describes the process for establishing contingency strategies for the Economic Partner risks analyzed in Section 5. By completing the instructions in Section 6, you will produce:

- an updated Economic Partner Risk Analysis Table that includes modified entries in the Contingency Strategies column for each Identified Risk.

**Sections 7, 8, 9 and 10** of the Toolkit focus on the country level contingency strategy development. These four sections are completed one time.

**Section 7** addresses the process for combining the individual National Risk Analysis Tables for all sectors into a single, consolidated table. The contents of the combined table are then examined for common risks. By completing the instructions in Section 7, you will produce:

- a combined National Risk Analysis Table with common risks highlighted.

**Section 8** addresses the process for evaluating the contingency strategies in the combined National Risk Analysis Table for potential conflicts and synergies. By completing the instructions in Section 8, you will produce:

- a combined National Risk Analysis Table with the Contingency Strategies column updated to reflect changes in strategy resulting from conflicts and synergies.

**Section 9** addresses the process for combining the individual Economic Partner Risk Analysis Tables for all sectors and Economic Partners into a single, consolidated table. The contents of the combined table are then examined for common risks. By completing the instructions in Section 9, you will produce:

- a combined Economic Partner Risk Analysis Table with common risks highlighted.

**Section 10** addresses the process for evaluating the contingency strategies in the combined Economic Partner Risk Analysis Table for potential conflicts and synergies. By completing the instructions in Section 10, you will produce:

- a combined Economic Partner Risk Analysis Table with Contingency Strategies updated to reflect changes in strategy resulting from conflicts and synergies.

**Appendices A through E** contain blank document sets for completing the National Risk Assessments. They have been customized for their respective sectors.

**Appendices F through J** contain blank document sets for completing the Economic Partner Risk Assessments. They have been customized for their respective sectors.



## *ASSESSMENT RESPONSIBILITIES AND TIMING*

The National Y2K Coordinator is the person responsible for overall development, coordination, and execution of national policies and strategies for Y2K preparedness. In the context of this toolkit, the National Y2K Coordinator will:

- Identify and assign appropriate sector specialists,
- Schedule and coordinate completion of the assessment, and
- Lead sector specialists through the analysis and evaluation of contingency strategies.

The anticipated participation level of the National Y2K Coordinator is part time for the duration of the assessment.

The National Sector Specialists have insights into or know how to quickly obtain the Y2K preparedness status of organizations within their economy. In the context of this toolkit, the National Sector Specialists will:

- Complete the National Risk Assessment for their respective sectors, and
- Participate in the analysis and evaluation of contingency strategies for National risks.

The anticipated participation level of the National Sector Specialists is approximately a couple of days per sector.

Economic Partner Sector Specialists have insights into or know how to quickly obtain the Y2K preparedness status of the key sectors of an economic partner. In the context of this toolkit, the Economic Partner Sector Specialists will:

- Complete the Economic Partner Risk Assessments for the key Economic Partners in their respective sectors, and
- Participate in the analysis and evaluation of contingency strategies for Economic Partner risks.

The anticipated participation level of the Economic Partner Sector Specialists is approximately a few hours to a few days per Economic Partner.

Note that anticipated participation levels may vary significantly from these estimates. The time that is required to complete the assessment is highly dependent upon how quickly the relevant information can be obtained. Generally speaking, the entire process should take from a few days to a few weeks.

## *ASSUMPTIONS*

- The toolkit focuses on the five sectors essential to international finance and trade – Customs, Energy, Finance, Telecommunications, and Transportation. Although there are other sectors important to any economy, e.g. government, manufacturing, healthcare, agriculture, and retail, they have been excluded from this analysis as they represent significantly less risk from an international perspective.
- The toolkit focuses on the understanding of cross-sector and cross-economy risks, and on establishing realistic contingency strategies relative to those risks. It does not result in a comprehensive, detailed risk analysis and contingency strategy for a particular sector within a country. Other surveys and questionnaires are available for performing such an analysis on a national level.
- Responsibility for completing the toolkit for all five sectors may be distributed to different people or organizations within a national government. However, responsibility for completing the toolkit relative to a particular sector may lie with a single person or governmental organization.

### *LIST OF KEY SECTORS*

A complete document set of National Risk Assessment forms will be filled out for each key sector. The column “Risk Assessment complete?” is checked off when the document set for that sector is complete.

### **BLANK WORKSHEET FOR LIST OF KEY SECTORS**

Responding Country Sector	National Risk Assessment Complete?
Customs	
Energy	
Finance	
Telecommunications	
Transportation	

**LIST OF KEY ECONOMIC PARTNERS**

Before proceeding, the responding country must identify its major economic partners for the five economic sectors whose Y2K compliance will be analyzed. The countries listed should comprise a significant proportion of international finance and trade for that sector. Significance criteria for each sector will vary and should be carefully determined by the responding country.

A complete document set of Economic Partner Risk Assessment forms will be filled out for each economic partner for each sector. The column "Risk Assessment complete?" is checked off when the document set for that economic partner is complete.

**SAMPLE WORKSHEET FOR LIST OF ECONOMIC PARTNERS**

**Responding Country:** X

<b>Responding Country Sector</b>	<b>Economic Partner</b>	<b>Economic Partner Risk Assessment Complete?</b>
Customs	Country Z	
	Country A	
	Country J	
	Country M	
	Country N	
	Country V	
	Country Y	
Energy	Country Y	
	Country Z	
Finance	Country V	
	Country W	
	Country Y	
	Country Z	
Telecommunications	Country J	
Transportation	Country A	
	Country B	

**BLANK WORKSHEET FOR LIST OF ECONOMIC PARTNERS****Responding Country:** \_\_\_\_\_

<b>Responding Country Sector</b>	<b>Economic Partner</b>	<b>Economic Partner Risk Assessment Complete?</b>
Customs		
Energy		
Finance		
Telecommunications		
Transportation		